weapons now in use are rockets that each disperse 960 little anti-personnel bombs. Five Iraqis were killed Monday night in a 4th Infantry Division attack, Tate said.

Tate said that sympathizers of deposed Iraqi president Saddam Hussein pay mercenaries to harass U.S. troops. ''We want them to think twice,'' he said. ''They should leave out of fear or face death.''

To curb the use of roadside bombs that are among the deadliest weapons employed by Iraqi resistance fighters, soldiers have orders to shoot and kill anyone seen digging a hole alongside thoroughfares, Tate said. The same goes for anyone seen carrying a weapon, he said.

Emphasizing the new get-tough approach, U.S. troops in dozens of armored vehicles patrolled in convoys throughout Tikrit Monday. ''They are saying, 'I dare you,''' said Ashraf Skarki, a farmer. ''The noise and dust, it is all part of their letter to Tikrit.''

The activity is not limited to this town, which is notoriously hostile to the U.S. occupation. In Baqubah, several miles east of Tikrit, a pair of F–15 fighter jets, launched from Qatar on the Persian Gulf, dropped four 500-pound bombs Tuesday on some abandoned farmhouses, military officials said. Apache helicopter gunships and artillery poured fire on targets on Baqubah's outskirts and then ground troops pounded the area with 155mm howitzers and 120mm mortars.

''We have taken action on these targets before, but this is to demonstrate one more time that we have significant firepower and we can use it at our discretion,'' said Lt. Col. Mark Young, commander of the 67th Armor Regiment's 3rd Battalion, part of the 4th Infantry Division. ''This is the biggest operation we've had in the Baqubah area in terms of tonnage and volume'' of munitions, he said.

On Monday, two U.S. soldiers were killed near Balad, about 35 miles from Baqubah, one in a rocket-propelled grenade attack, the other by a roadside bomb.

''We will not let these insurgents dance on our territory. We need to maintain an offensive stance and let the enemy know that we will come down with a heavy hand,'' said Lt. Col. Steve Russell, a battalion commander with the 4th Infantry Division.

In Baghdad at mid-evening, U.S. forces fired heavy weapons at suspected guerrilla positions in the far western part of the city. A series of blasts reverberated across the capital. For a second consecutive night, the city was largely blacked out. U.S. officials blamed the electrical outage on a storm that they said toppled high-tension wires, although the weather has been calm for several days all across Iraq.

Exactly who the guerrillas are remains a mystery, even to commanders on the ground. At a briefing in Baghdad on Tuesday, Swannack said that 90 percent of the fighters that U.S. forces have captured or killed were loyalists of Hussein or Iraqi religious militants. While the Bush administration has described foreign fighters as posing a mounting threat, Swannack estimated that only 10 percent of the guerrillas had come from abroad.

''We are not finding foreign fighters coming across the borders in significant numbers to do the fighting,'' said Swannack, whose soldiers patrol a vast swath of Iraq that borders Syria, Jordan and Saudi Arabia.

Resident of Hawijat al-Ali doubted the offensive in the Tikrit area would be successful. ''Do they really think making this kind of ruin will stop the resistance?'' said Jamal Shahib, who described himself as a shepherd.

Shahib and other residents said U.S. soldiers arrived Monday night searching for Ali Ahmed Hamid and Hussein Ali, two teenagers suspected of being members of Saddam's Fedayeen, a militia created in the 1990s as an irregular adjunct to Iraq's army and secret police. They did not find the young men. The soldiers arrested Omar Khalil Ibrahim, 55, and told the residents to leave their houses. They then unleashed the barrages of firepower to destroy the structures.

Everyone denied that anyone had a connection to Saddam's Fedayeen. One woman, in a fit of emotion, began to chant, ''With our blood and our souls, we will defend you, O Saddam.''

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE of Texas) is recognized for 5 minutes.

(Ms. JACKSON-LEE of Texas addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

FLORIDA'S CITRUS INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. MEEK) is recognized for 5 minutes.

Mr. MEEK of Florida. Mr. Speaker, I want to thank my colleagues from Florida, Mr. PUTNAM and Mr. SHAW, for arranging this special order this evening.

Trade is a crucially important issue in Florida. With our great seaports and airports and our global position as the crossroads between North America and Central and South America and the Caribbean, Florida is well positioned to benefit from trade with our neighbors. However, in order for that trade to benefit Floridians, to create new jobs and new businesses and to promote the growth of existing enterprises, it must be conducted fairly.

One of Florida's signature industries is citrus. Citrus is Florida's second largest industry, responsible for generating over $9 billion for the economy and providing nearly 90,000 people with jobs. The industry also accounts for roughly $1 billion in revenue for the State and local governments. Not only is this industry responsible for giving jobs to tens of thousands of Floridians, it also helps to fund our public hospitals and schools, and our fire and police services.

But all is not well with Florida's citrus industry—primarily because of the impact of imports—and I urge the Bush administration to remember this fact when it considers requests to reduce or eliminate the current tariff on imported citrus juices during the Free Trade Area of the Americas negotiations this weekend or any other negotiations.

There are only two regions in the world that produce a substantial quantity of orange juice: Brazil and the United States. There are also only two regions of the world that consume substantial amounts of orange juice: the United States and the European Union. Brazil already has a virtual monopoly on the EU orange juice market, while Florida's growers sell their product almost entirely in the United States.

There is considerable evidence that the current tariff on imported juices encourages competition among producers and allows Florida's growers to compete on a level playing field. Florida's 12,000 growers, most of whom operate small family-owned operations, are the most efficient and environmentally responsible in the world. Without the tariff, however, Florida's growers cannot compete against the four dominant processors in Brazil, who take advantage of cheap labor and weak environmental laws at the expense of Florida's growers.

The industry also provides many environmental benefits to the State of Florida and its citizens. A collapse of the industry would lead, perhaps inevitably, to more development and more congestion—and also to more air and water pollution and toxins in the environment. I understand that a collapse of the citrus industry would also threaten over 150 different species with extinction.

Today, Florida's citrus industry is already suffering tremendously because of uncertainty over the future of the tariff. The price of citrus is declining. Growers are selling land because they know they will have no future if the tariff is reduced or eliminated. In addition, the huge processors in Brazil are taking steps to exploit any reduction in the tariff by acquiring more groves in Brazil to enable them to dramatically increase production and overwhelm the U.S. market. It would be hard for any industry to survive, and impossible to prosper, in this environment.

The industry cannot afford to wait 6 more months or a year for the Bush administration to make a decision. This is why I urge the Bush administration to state clearly this week its final decision on this matter—to put an end to this uncertainty that is so seriously harming Florida's citrus industry.

Mr. Speaker, Florida's citrus industry—unlike almost all other agricultural commodities—receives no U.S. subsidies. American taxpayer money does not subsidize this industry. The tariff is the industry's only lifeline.

Again, I urge the administration to consider the ramifications of reducing or eliminating the tariff, which would discourage greater competition and would enable Brazil to secure a global monopoly over the orange juice market.

MEDICARE PRESCRIPTION DRUG AND MODERNIZATION ACT OF 2003

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from Georgia (Mr. GINGREY) is recognized for 60 minutes as the designee of the majority leader.

Mr. GINGREY. Mr. Speaker, I want to thank my colleagues on this side of the aisle for joining with me tonight in discussing over the next hour one of the most important issues to come before this great body, this United States House of Representatives, probably in the history of the Congress, and I am talking about, Mr. Speaker, the impending passage of the bipartisan Medicare Prescription Drug and Modernization Act of 2003.

Mr. Speaker, Medicare is a good program. Medicare had done a lot of things since its inception, of course, when it was first put into place almost 40 years ago, but it is not perfect. Medicare, although it is a good program, is not perfect. Two of the main problems, Mr. Speaker, with Medicare are these: number 1, it has never had a prescription drug benefit. Yes, it covers

hospital expenses. Yes, it covers major surgery and, certainly, it allows some time to be spent in a skilled nursing home if that is necessary. But it has never had any emphasis on preventive therapy which, of course, is what prescription drugs is all about.

Now, maybe back in 1965, when I was a freshman in medical school, we were not prescribing as many drugs. There were not as many lifesaving drugs on the market. In fact, back then, there was a penicillin antibiotic if you had an infection. There was a heart medication called digitalis if your heart was not beating properly. There was maybe codeine if you had a bad headache. But there were not the lifesaving drugs that are available to us today in the 21st century.

Medicare also does not do anything about preventive care, and there is no catastrophic coverage, Mr. Speaker. Under part A of Medicare, after a patient has expended a certain number of days in the hospital for a covered illness, then everything is out-of-pocket, and the same is true for an extended stay in a nursing home. That is why so many of our seniors find themselves in their twilight years having to go on Medicaid, having to become literally wards of the State because of this lack of catastrophic coverage.

So, Mr. Speaker, the main two problems have finally been addressed in the Medicare Prescription Drug and Modernization Act. We are finally going to deliver on a promise to our seniors and include under Medicare a prescription drug benefit, and also make sure that our seniors have an opportunity to get the preventive care and disease management they need.

Mr. Speaker, not covering for a prescription and covering for major surgery is really akin to having a service contract on your car that covers to have the transmission replaced, but not to have the oil changed. It makes absolutely no sense. So finally, Mr. Speaker, we have come to the point in the history of Medicare where we have got to change, we have got to bring it into the 21st century.

Other people, Members of Congress, the health coverage that we have, has a strong emphasis on prevention and wellness and, in the long run, this is less expensive. Certainly, managed care understands that, that it is in their best interest to keep people healthy. When we think about it, so many of us; in fact, most of our citizens who are on that type of plan, including probably all Members of Congress, they are used to that preventive care. They have that catastrophic coverage. And, all of a sudden, they turn 65, and Medicare becomes primary, and if they cannot afford, or if they do not have an employer-provided health benefit for a retiree or a very expensive maybe Medigap plan and they are just relying on Medicare, then they have gone from a coverage that gave them protection, that gave them catastrophic protection and, all of a sudden, at age 65 and beyond, they do not have that anymore, and that makes no sense at all.

The point is, Mr. Speaker, that we have not modernized Medicare, and that is what we are going to do here within the next couple of days in this 108th Congress. I am very proud, as a Member and as a physician Member, to be a part of this historic time in our Congress.

I am, as I say, very pleased that members of my caucus are here with us tonight in this late hour, but they understand the importance of this issue, and they understand the need to make sure that the public and, hopefully, some are watching tonight, especially our seniors, have an opportunity to see exactly what we are going to do for them with this passage of this historic piece of legislation.

At this time, Mr. Speaker, I yield to the gentleman from South Carolina (Mr. WILSON), just across the border from my home State of Georgia, my good friend and colleague.

□ 2200

Mr. WILSON of South Carolina. Mr. Speaker, it is an honor to be here tonight. I would like to thank my colleague, the gentleman from Georgia (Mr. GINGREY), for his leadership in helping to present the truth about the prescription drug plan which is before Congress this week.

I want our colleagues to know that it means so much to me that we have a physician such as the gentleman from Georgia (Mr. GINGREY) here who has a background of working for quality health care for persons in Georgia and the southeastern part of the United States. And he has got a background of knowing what is needed for our citizens. And it just means a lot to have his leadership tonight.

Additionally, I am happy to be here because of the support of AARP of the plan which is before us at this time. I am a member of AARP. I am proud of their promotion of the best health plan that they feel can be produced, and that is the bill before us this week.

Additionally, I want to congratulate the gentleman from California (Chairman THOMAS) of the Committee on Ways and Means who has worked so hard to try to balance interests and come up with a bill which is beneficial to the people of the United States. As we are quite familiar with the providing of prescription drugs, there are other features in the bill that I find very helpful. And I want to relate three of them tonight because I think they are going to have meaning to persons of all ages and particularly for younger people, for persons middle-aged, and, indeed, beneficial for persons who are AARP members.

The first point I would like to bring out is that this bill provides for health savings accounts. This is a provision which in the past has been known as medical savings accounts. This has been a provision which the gentleman from Illinois (Speaker HASTERT) here has been a primary proponent of because it provides new incentives for individuals to put money aside for health care.

The H.R. 1 provisions provide that health savings accounts can provide for people to put, say, up to $1,000. If they have a deductible on their policy of $1,000 they can place $1,000 into an account which can be used to pay all qualified medical expenses. The contributions, earnings, and distributions are all tax free. These accounts are portable from job to job and into retirement. And, indeed, when persons pass away, the money that is left over will be passed on through their estate to their loved ones and their family members. Individuals, employers, and family members can all make contributions.

This is a revolutionary effort on behalf of all Americans, both seniors and nonseniors. Because of the health savings accounts, less money will be spent by the taxpayer. And Americans can plan their futures and plan their ability to provide for better health. These plans will allow seniors to have more control over their health care options.

Other features that I find very helpful in the bill that is before us are to provide for preventative care. The newly enrolled beneficiaries will be covered for a physical. And this I think is so beneficial. I know every time that I have had a health insurance plan, the first question I have after we sign up, unfortunately, is do we have a provision for a physical. And I found out that we did not in my law practice. So it was really very disappointing to me because I believe that if you can have a physical and you can have the normal test, that this will be beneficial to planning your health care.

Additionally, cardiovascular screening, blood tests including cholesterol will be included in the testing provisions. And then another very important effort will be made for diabetes screening for at-risk beneficiaries. This is particularly appropriate to consider today because November is American Diabetes Month. And I know that in the southeastern part of the United States, that we, unfortunately rank very high with the number of persons who suffer from diabetes.

These benefits do not have deductibles or co-pays so those with limited resources can access the benefits. These screenings will catch treatable, manageable conditions that would otherwise result in severe health consequences and cost the Medicare program an immense amount of money. But the main feature is it will help people live longer healthy and fulfilling lives.

Another and final point that I want to bring out that had not received extraordinary attention is reform of the average wholesale price, the AWP, which needs to be reformed. And, additionally, the provision of oncology services. These are cancer treatments

that we will provide in the bill for reimbursements to physicians in services to patients. And this has particularly been enhanced in the last several days because of concern that there may be a reduction in reimbursements and services to patients.

I know firsthand how important this is and that one of our sons at the age of 17 was diagnosed with malignant thyroid cancer. But thanks to his treatment at the Lexington Medical Center, the detection by Dr. Butch Bledsoe, the surgery by Dr. Dan Davis, the pathology reports by Dr. John Carter, and the subsequent treatment by Dr. Tripp Jones, our son is in full remission. In fact, he was able to graduate from the Naval Academy, and he is following in the footsteps of the gentleman from Georgia (Dr. GINGREY). He is in his third year of medical school at Uniformed Services University here at Bethesda, Maryland. So we know firsthand that by getting proper cancer treatment in our family that people can recover and live full lives.

The bill will provide fixes to a flawed system that is costing America's seniors in prescription drugs, but the oncologist and other practitioners are covered by the reform with assistance with practice expenses.

Additionally, a final point, the average sales price, ASP, will be calculated at a rate that will be welcomed by the health community, including the much-appreciated oncologists and other specialists.

As I conclude tonight, I want to say a message as always: God bless our troops. We will not forget the sneak attack of September the 11th on our innocent civilians in New York, Pennsylvania, and Washington.

Mr. GINGREY. Mr. Speaker, I thank the gentleman from South Carolina (Mr. WILSON). I especially am grateful for him sharing that very personal anecdotal information with us about his son.

Mr. Speaker, what the gentleman from South Carolina (Mr. WILSON) is talking about is so true, that medications that are available today we did not have in 1965. God forbid maybe if his son had had that leukemia in 1965, he would not be alive today. I know my mom who was suffering from cancer several years ago would not be alive today if it were not for the chemotherapy that basically completely put her cancer in remission.

Just imagine now, just imagine someone that is in their late 60s or maybe even mid-70s that has no insurance coverage for prescriptions who comes down with cancer that could very well be successfully treated if only they could afford, if only they could afford to take a very expensive medication that would cure that cancer, put that cancer in remission, and let them continue to live and enjoy life. So that is why it is so important in this 21st century that we finally have a coverage for prescription drugs.

It gives me a lot of pleasure at this point, Mr. Speaker, to yield time to the gentleman from Georgia (Mr. BURNS), my colleague and friend from the 12th Congressional District.

Mr. BURNS. Mr. Speaker, it is a historic time. It is a historic time to be in Congress. We are at the brink of passing landmark legislation that is long overdue in our country. This week, just in a day or two or three, we are going to take up on this floor H.R. 1, the Medicare Reform Modernization Act, including a prescription drug benefit for our seniors. This is an important and historic vote that we have to come together now and complete the promise that we have made to America.

I committed to the 12th district of Georgia that I would preserve and protect and improve Medicare. H.R. 1 does that. I committed that I would work hard to ensure that our seniors receive a prescription drug benefit that will improve their quality of life, that will allow them to live full and complete lives that are free from pain and free from suffering. H.R. 1 will do that.

As my colleagues have both pointed out, for the first time in the history of Medicare, we will begin to shift from treatment from acute care to prevention to utilizing those drugs, the wonder drugs that we have now in the 21st century to ensure that our seniors can live full lives.

It is a tragedy that in today's Medicare world someone with diabetes cannot receive the prescription of insulin which would prevent them from losing a limb or having to be subjected to painful dialysis. It is a tragedy that under today's Medicare those with heart conditions cannot receive the medications they deserve, but yet have to be patients for bypass surgery or other invasive practices. This bill provides our seniors with the coverage that they need to ensure their future.

There are many provisions in the bill that are positive for America's seniors. It is a bipartisan bill. It is a conference report that has come through the fire. This House acted originally on our version, the Senate on theirs; and now we come together. I think if you look at the contents of this bill, the naysayers will sit there and pick it apart; but if you look at the total package, it is good for America. Medicine has changed dramatically since 1965. It is time for Medicare to change so that it can provide the medical services to our seniors.

The things that I want to point out in this bill relate to the fact that our low-income seniors who have the greatest need receive the greatest benefit. These individuals will no longer have to choose between their prescription drugs and food or utilities or roof over their head. They will be given essentially 100 percent coverage, and that ensures that they will live full and complete lives. So those at the low-income levels of our society will benefit the most. Those who have tremendous medical needs, prescription drug needs, catastrophic drug costs they will also receive significant support. I think if you look at this bill, those two areas alone suggest we need to deliver the prescription Medicare bill for our seniors.

Implementation is critical. And I appreciate the discount card that is going to be available in April of 2004. And I certainly appreciate the fact that our low-income seniors will receive immediately $600 worth of prescription drug assistance per year. And then in 2006, the full prescription drug plan will be available.

I come from a district, the 12th in Georgia, with many rural hospitals. This bill is a strong statement in support of rural hospitals. It extends the standardized base payment rate for our rural hospitals. For all of those hospitals in cities of less than a million, it ensures that they immediately get an increase in the disproportionate share payments that they are entitled to. And I think if you look at the rural health care component in this bill, you find that it is second to none that has ever been a part of our Congress.

Another very significant component of this bill that I think too many people overlook, there is a fear that for some reason employers would abandon their retirees. Just 2 days ago, we had a press conference here in the Capitol where we met with the employer coalition representatives of over 60 U.S. companies that have worked hand in hand with the Congress to be able to ensure that these companies will not abandon their retiree health plans but would stay in the game, that would continue to provide the medical coverage for retirees, the prescription drug coverage for retirees that their retirees have earned through a lifetime of service.

□ 2215

So if we look at the employer coalition over 60 companies and their commitment to their employees and their commitment to their retirees and their willingness to work with Congress, H.R. 1 provides the incentive for these employers to stay in the game.

Certainly I had an opportunity in the summer and early fall to meet with representatives of the AARP, American Association of Retired Persons. Again, I am a member. My wife is a member, and I met with them in the 12th district, and I was talking with them and we were comparing the House and Senate version of the bill, and we were talking about the changes we needed to make and the compromises and the coming together; and I committed to them that when this bill came out of conference that it would be a bill that they could support and that together the Congress and AARP would work for the passage of this bill, and indeed, that is what has happened. I am glad and proud of the fact that we were able to work effectively with AARP to ensure that seniors in America receive the health care coverage that they deserve.

Lastly, Mr. Speaker, I want to point out the most significant component of

this bill and that is a choice, a choice. If a senior is happy with their current Medicare, they can continue receiving that benefit as it currently exists. If they would like a drug benefit coverage with that, they are welcome to accept that benefit, but they are not required to do so. It is their choice. If they choose to take Medicare advantage where they receive screening, where they receive supportive preventive care, that is the individual Medicare recipient's choice. We have preserved Medicare, Mr. Speaker. We have protected Medicare, Mr. Speaker. We have enhanced Medicare, Mr. Speaker.

If my good colleague and friend from Georgia would be willing, I would like to maybe pose a question or two and get his input on this bill, if he is willing to engage in a colloquy.

Mr. GINGREY. Absolutely.

Mr. BURNS. Mr. Speaker, I think one of the things that the gentleman can help the Nation understand, as a physician, how do you compare the current physician reimbursement policies under Medicare with the proposals that are in this new modernization act?

Mr. GINGREY. I am so glad that the gentleman asked that question, and I have actually been speaking on the floor of this House for the last month on a weekly basis talking about that very thing that the gentleman speaks of.

Physicians have been suffering severely over the last several years. They have taken deep cuts in Medicare payments, and the projected cuts for the next 2 years were 4.5 percent, 4.5 percent less per year in Medicare reimbursement at a time when their practice expenses, especially the cost of malpractice premiums, are literally going through the roof; and the answer to my colleague's question is that under this bill, physicians not only in the next 2 years will not suffer that 4.5 percent cut, but in fact, they will have a 1.5 percent increase.

Mr. BURNS. That is a large swing. We are talking a 10 percent, 11 percent swing over the next 2 years.

Mr. GINGREY. Mr. Speaker, that is correct.

Mr. BURNS. I think one of the things we need to understand is that our physicians need to be willing to accept new Medicare patients, and we need to make sure that health care is available as well as access to help our seniors, and H.R. 1 provides that capability.

The gentleman was a part of the employer coalition conference when we talked about the employers being a part of this solution. What was your impression and what incentives do you see for employers to stay engaged, to continue to provide their retirees with the benefits that were really committed to them while they were working for their organizations?

Mr. GINGREY. Another great question, and I am sure the gentleman from the 12th, from southeast Georgia, as he has had town hall meetings in his district all the way from Augusta to Savannah, is hearing the same concerns that I have been hearing. In fact, these were the major concerns and have been the major concerns of the AARP, and that is, what happens to these retirees who have had a great health insurance plan after their retirement that includes a very generous prescription drug benefit from their employer. There was this great fear, has been a great fear, that all of the sudden employers may, since there is an opportunity, an option under Medicare, drop their plans; and so we have made sure that we incentivize employers to keep those plans, to keep providing for those men and women who in some instances have worked 40 years for the company, very loyally working for the company. This Medicare Modernization and Prescription Drug Act actually gives 28 percent, 28 percent of coverage up to $5,000 per individual to employers, a tax-free supplement to incentivize them not to drop those plans. The AARP and its 35 million seniors are quite happy with that, and I think we have solved that problem.

Mr. BURNS. Mr. Speaker, I think we need to recognize that we need to keep our employers in the game. We need to keep them involved in supporting their retirees, and certainly this provision in H.R. 1 does that.

The last question deals with our low-income seniors and really all seniors. What does my colleague see as the level of health care that they will receive under H.R. 1, this modernization act, compared to traditional Medicare that has been around some 40-plus, almost 40 years now?

Mr. GINGREY. As the gentleman said at the beginning of his remarks, the most important part of this legislation is that it helps our needier seniors. It gives them probably the greatest benefit.

Most of our seniors who are not low income, yes, they get significant help with this bill, particularly in regard to catastrophic coverage when they get above $3,600 out of pocket in any 1 year, but the point the gentleman is making is such a good one. It is so important for the public to understand, and that is that we are taking care of our neediest seniors first. If they have an income, an individual, of less than $12,000 give or take a few dollars per year or a couple at the $16,000 income level per year, then they pay nothing for their deductible. They do not pay a copay. They do not have to pay those monthly premiums. All of that is taken care of, and they are only liable for maybe a dollar for a generic drug or $3 for a brand-name medication or, if they are above 135 percent of the Federal poverty level, that goes to $2, $5. So minimum, and that is where the emphasis is, as the gentleman from the 12th is pointing out, on our most needy seniors.

Mr. BURNS. Mr. Speaker, I think if we look at this bill and we look at all aspects of the bill, it is a good bill. Never let the perfect get in the way of the good. This is a solid bill that needs to be passed in Congress.

I think one of the components of the bill that my good friend and colleague from South Carolina (Mr. WILSON) pointed out was the health savings account. What a revolutionary opportunity for Americans and for families to support tax free the health care costs, their own and then perhaps their parents; and if I look at that single provision alone, it is a tremendous advantage to America.

I would like to thank my colleague, the gentleman from Georgia (Mr. GINGREY), for his leadership. I am delighted to have the opportunity to serve in Congress with two physicians in our freshman class who understand health care and who understand the challenges of our seniors.

Mr. Speaker, as this conference report comes to the floor later this week, I think it is time for action. It is time for us to stand up for America and to stand up for America's seniors, to pass this bill and to ensure that our seniors receive the Medicare coverage they deserve, the prescription benefits that they deserve and need desperately but also preserve this system for my children and my grandchildren and for America.

Mr. GINGREY. Mr. Speaker, I thank the gentleman from Georgia for those very, very timely and accurate comments in regard to this bill. In fact, the gentleman from Georgia mentioned the health savings account, and I think that is one of the many parts of this bill that is so good. It is something that we have waited for a long time to have what we might call a universal health savings account opportunity.

Mr. Speaker, at this point, I would like to yield to my colleague and friend, the gentleman from Indiana (Mr. CHOCOLA), who is a small businessman and understands this issue just about as good as anybody that I have discussed it with.

Mr. CHOCOLA. Mr. Speaker, I thank the gentleman for yielding, and I thank him for his leadership in bringing us to together tonight to really discuss what has been pointed out, I think, as one of the historic bills we will consider in our career, no matter how long we serve in this body and have the privilege of representing the people in our home districts.

We have had a lot of talk about all the provisions that are in this bill and how important they are, and certainly the prescription drug provision is very important in the basis of this bill, and I join my colleagues in saying it is about time that we live up to the promises that we have made to our seniors and really live up to our responsibility to deliver the prescription drug benefit under Medicare that they deserve.

Really, what I would like to do tonight is focus on another provision of the bill that I think is equally important and really has an impact on every single working family in our country.

Not only does it impact retirees, not only does it impact Medicare recipients, but it impacts every single family in this country, and as the gentleman from Georgia pointed out, that is health savings accounts; and the reason I want to talk about this is because ever since the day I decided to run for Congress, every single conversation that I have had about health care in America has revolved around the following conversation.

Basically, health care reform is the most important and complicated domestic issue that we face as a Congress, and the only way that we are going to see true health care transformation in this country is to have individual ownership and control of health care coverage; and the only way that we are going to have individual ownership and control of health care coverage is to have what we used to call medical savings accounts, but now we call health savings accounts, because it rewards people for shopping for their health care services on economic, not an emotional, basis, and it is an opportunity for people to build wealth over a period of their life, over the course of their career, and they can use that wealth to cover their retiree health care needs.

I used to be a small business owner, as the gentleman from Georgia pointed out, and we had about 1,300 employees. We provided very generous health care benefits for our employees, but every year it was harder and harder and harder to be able to keep those benefits in place at a reasonable cost to the company and reasonable cost to the employees; but every single day I saw the magic of ownership in accounts like profit sharing plan accounts, like a 401(k) plan. People that live paycheck to paycheck did not have bank accounts, took 100 percent personal responsibility in those accounts because they knew it was their money, and if it was managed well, it would benefit their retirements and their family.

I thought every day as I watched the magic of that ownership, why can we not apply these same principles to health care coverage in America, and that is exactly what health savings accounts do. As an employer would it not be great if we could establish a system that says that the employer can contribute and the individual can contribute on a tax-free basis into an account that covers a high-deductible policy?

Mr. Speaker, for those that are not familiar with what health savings accounts are, basically they are a high-deductible health care policy, and the high-deductible portion of that policy is owned by the beneficiary of that policy. They make the decisions on what medical services they are going to buy. They make the decisions on how much they are going to pay for those medical services; and if they are good shoppers and they are relatively healthy, and certainly our experience in our company, I do not think it was too different than most experiences, in that the 80/20 rule applies. Eighty percent of the people are pretty healthy, and they do not really need expensive health care coverage. Twenty percent of the people do encounter health care needs, and they will be covered by the catastrophic portion of their coverage; but for the 80 percent, they will be able to shop wisely and save money.

That is in their account on a year-by-year basis. That money will grow tax free year over year and grow into an asset that they can utilize in their retirement to purchase qualified health care needs.

□ 2230

Mr. Speaker, I do not think there is anything we can do that would be more responsible as Members of Congress than to free the American people to have wealth for their health care retirement needs. Certainly Medicare is a very important provision. It has been a great law in this country and has covered many people in a very responsible way. As this whole debate goes on this week, we will all recognize that since 1965 health care in America has changed, and we need to change Medicare to reflect that change. And we certainly need to provide a prescription drug benefit for our Medicare recipients. But would it not be great if we could provide every single American working family the opportunity to build wealth and be able to be free to have a substantial account in the bank, to be able to have the flexibility to have the health care services they desire, no matter what those are, when they retire?

So, Mr. Speaker, I think it is so important that we do not forget how important this provision is. And as we talk about how do we lower health care costs in America, just think of this: When is the last time you changed the oil in a rental car? If we do not own it, we do not take care of it. If we own our health care coverage, we have every incentive to take care of ourselves. We are rewarded for having health prevention and we are rewarded for buying our health care costs on an economic basis.

And there are two examples to show how powerful that is. Three years ago, I had LASIK surgery. And 3 years ago, I paid $3,000 to have that LASIK surgery so I could see. Today, you can probably go for 30 to 40 percent less to have that same surgery. The only difference in that medical procedure is that it is not covered by insurance. It is paid for by people out of their own pocket. They shop, and economic and market forces have driven that cost down. The same thing with elective surgery. People who have plastic surgery, those costs have risen slower than the cost of inflation.

So, Mr. Speaker, it is possible to bring health care costs down in America. It is possible to live up to our responsibility to our seniors. It is possible to give every American family the freedom and the flexibility to have the wealth to take care of their retirement health care needs if we pass this bill. So I join with my colleagues here tonight to encourage every Member of this body to pass H.R. 1 and live up to our responsibilities to the American people.

Mr. GINGREY. Mr. Speaker, I thank the gentleman from Indiana. I think this is such an important aspect of this bill and I appreciate his discussing that with us.

Mr. Speaker, there are probably 40 million people in this great country of ours who have no health insurance at all, and 60 percent of them, maybe more than 60 percent, have jobs. They are not unemployed. Maybe they work for a small shop of five to 10 to 15 people and that employer just cannot go out in the marketplace and get a volume discount, so they just cannot afford it. It is a benefit they cannot afford.

This health savings account will give these employees that are working but do not have the opportunity for group health insurance to put up to $5,000, up to $5,000 a year, Mr. Speaker, tax deferred and will have an opportunity for that account to grow, as the gentleman from Indiana so vividly pointed out.

I want to shift gears, Mr. Speaker, for just a minute. We have heard a lot of discussion tonight during this time about the AARP and how very supportive they are of this Medicare Modernization and Prescription Drug Act, this bipartisan conference committee report. Let me just read a letter, Mr. Speaker, from the President of AARP, Mr. William Novelli, and here is what Mr. Novelli says about this bill.

''Some people are surprised by AARP's support of the Medicare prescription drug legislation now before Congress. They shouldn't be. Our decision is not based on political calculation or allegiance to rigid ideology, but solely on what this will mean for our members and the health of all older Americans.

''There are many reasons for our endorsement. First, this bill will provide prescription drug coverage at little cost to those who need it most: People with low incomes, including those who depend on Social Security for all or most of their income. Second, it will provide substantial relief for those with very high drug costs and will provide modest relief for millions more.

''Finally, we are pleased to see a substantial increase in protections for retiree benefits. That fairness is maintained by upholding the health benefit protections of the Age Discrimination and Employment Act.

''On July 14, in a letter to congressional leadership, we outlined our concerns and our expectations for a bill that we could support. Among them was our opposition to what is commonly known as ''premium support,'' a new structure requiring traditional Medicare to compete against private plans, which could very likely result in

higher out-of-pocket costs for those who choose to stay in traditional Medicare.

''As a result of negotiations, this was scaled back to a demonstration project that is very limited in scope that doesn't begin until 2010, that exempts low-income beneficiaries and limits any premium increases. This will not,'' and I repeat, Mr. Speaker, ''this will not jeopardize traditional Medicare'' as we know it.

''Of real concern to our members and millions of older and disabled Americans was the prospect that by gaining a Medicare benefit, they might lose their current employer-retiree coverage.'' We talked about that earlier. ''We said that the final agreement should provide adequate incentives for employers to maintain their current plans. The proposed legislation includes an unprecedented $88 billion in subsidies to ensure that people who have good private coverage do not lose it.

''This bill is not perfect, but millions of Americans cannot wait for perfect. They need help now. And, finally, help is on the way.

''This is an issue too important to be held hostage to the status quo. As the late civil rights leader Whitney Young once said, 'We have no permanent friends or enemies, just permanent interests.' Our interests are what is best for our members and for all older Americans.

''In the coming days, we will do all we can to help the American people understand how important this legislation is to them and to convince Members of Congress to work in a bipartisan,'' absolutely a bipartisan ''fashion to pass it now.'' William Novelli, President of the American Association of Retired Persons.

Mr. Speaker, at this time I would like to yield to my colleague and good friend from the great State of Alabama. Our districts butt up against each other at the State line, and I know that the people that he represents in his district in Alabama have the same needs, life experiences, and concerns that my folks do in the 11th District of Georgia.

So it gives me a great deal of pleasure at this time, and I thank the gentleman from Alabama (Mr. ROGERS) for joining us tonight.

Mr. ROGERS of Alabama. Mr. Speaker, I thank my good friend and colleague, the gentleman from Georgia, for yielding to me.

Mr. Speaker, it has been said that good things come to those who wait, but when it comes to our seniors' health, waiting is a luxury we can no longer afford. Year after year we hear the cries for help: Drug costs are skyrocketing, family budgets are stretched, doctors' visits go unfulfilled. Mr. Speaker, the prognosis is clear: Seniors need our help.

In my home State of Alabama, seniors now pay nearly $1,300 per year for prescription drugs. These costs are expected to rise just as seniors' dependency on lifesaving prescription drugs continues to grow. But rising drug costs are not the only symptoms. Alabama's seniors and doctors suffer from unfair rural health care penalties as well. Rural doctors, for example, are being squeezed by health care costs. They are finding it more and more difficult to continue providing service to our seniors. This is because Medicare simply has not reimbursed rural health doctors at fair and reasonable rates. As a consequence, we are experiencing a crisis in rural health care. The most highly-qualified doctors are forced to move out and younger doctors are choosing not to move in.

Mr. Speaker, America's seniors sent us here to get the job done. The bipartisan plan to strengthen Medicare with a prescription drug benefit helps seniors right where they need it, in their pockets. This legislation provides record increases for rural health care, it gives seniors more choices and more options, and, most importantly, it provides a drug benefit that is completely optional while allowing seniors to stay in Medicare's traditional fee-for-service system.

Doctors in rural areas, like mine in Alabama, would have a greater incentive to continue providing care. Seniors would subsequently benefit from more health care options and more doctors. Most importantly, seniors would get an immediate discount on their prescriptions. A Medicare-endorsed prescription drug card would be available within 6 months of the passage of this bill and provide savings up to 25 percent on seniors' prescriptions. And the best part, every senior who receives Medicare is eligible for these instant savings, which typically number in the hundreds or even thousands of dollars every single year.

There are also safeguards for our most vulnerable Americans. For certain low-income seniors, a $600 annual credit would appear on their drug card. This helps ensure that our poorest seniors receive access to the best possible care, no matter their income.

Mr. Speaker, this bill is not just about today, it is about our future, for our near retirees and for our children. It is not perfect, but it is a great start.

I know many of my colleagues here share my enthusiasm for this bipartisan bill, but the chorus of support for its passage is not limited to those in this Chamber. In fact, the AARP has formally blessed this bill with their ''Good Housekeeping Seal of Approval.'' AARP and its 35 million members have committed to helping ensure passage of this historic legislation.

To quote AARP President James Parkel from a statement earlier today, ''The bill represents an historic breakthrough, and an important milestone in the Nation's commitment to strengthen and expand health security for current and future beneficiaries.''

So let us get the job done. I urge my colleagues on both sides of the aisle to come together to improve the health of our seniors. We all need to support this bipartisan proposal to create a new prescription drug benefit under Medicare and help improve the lives of our seniors for generations to come.

I thank the gentleman from Georgia, Mr. Speaker.

Mr. GINGREY. Mr. Speaker, I thank the gentleman from Alabama, and before I introduce the last member of our team tonight, I would like to read a letter from the President of the American Medical Association, and he says:

''Dear Mr. Speaker, the American Medical Association is proud to support the Medicare Prescription Drug and Modernization Act of 2003 conference report. Congress listened to America's patients and the physicians who serve them.

''The AMA gave Congress a set of principles for a sound prescription drug policy. We asked that the pharmaceutical drug benefit be fully funded as a separate new part of the Medicare program and provide for adequate accounting so that drug program expenditures can be tracked separately from all other expenditures. We asked that it be targeted to reduce hardship for those with low incomes and those with catastrophic costs and that patients be offered a choice of insurance options. The conference report meets all of these requirements.

''We asked for help with the drastic 4.5 percent physician payment cuts that physicians and other health care providers will face beginning in less than 2 months. We said that cuts in Medicare payments jeopardize access to medical care not only for seniors but also for military retirees and their dependents. The conference report provides a 2-year increase in payments for 2004 and 2005 of at least 1.5 percent each year,'' not, Mr. Speaker, a 4.5 percent cut. ''It also provides a mechanism to begin correcting the flawed payment formula in an effort to stabilize those payments over time.

''We asked for relief from regulatory burdens imposed on physicians and other health care providers when dealing with the Centers for Medicare and Medicaid Services, CMS. Using many components of the AMA model bill, the conference report guarantees physicians certain due process rights in Medicare appeals and targets education dollars promote.

''We asked important flexibility and assistance in moving toward electronic prescribing technology. The conference report provides incentive grants to small, rural, and low-volume practices instead of mandating that all providers use electronic prescribing technologies in a short time frame. It also provides for 'safe harbors' for group practices and others in an effort to make these technologies more widely available.''

□ 2245

''We asked to retain the coding system that makes sense for American physicians, not to move to a new, untested system. The conference report

removed language that would have imposed new, regulatory burdens in payment coding systems that physicians use every day. Moving physicians from some 7,000 codes to some 170,000 codes could only mean less time spent with patients.

''We ask that geographic disparities in payments between rural and urban areas be diminished. The conferees worked out a compromise to increase payments in this regard and to thoroughly study patient access to physicians, as well as retention and attraction of physicians to scarcity areas.

''The status quo is unacceptable to patients and their physicians. The Medicare conference agreement includes numerous provisions that will improve seniors' access to medical services. We worked closely with Congress to do the right thing for American's seniors, and Congress heard us. We pledge to wholeheartedly support the Medicare Prescription Drug and Modernization Act. Sincerely, Michael D. Maves,'' president of the American Medical Association.

Mr. Speaker, I think this is a perfect segue into the introduction of my colleague from Texas who not only is my freshman colleague in this Congress, but he also is my colleague as a physician and further as a specialist in obstetrics and gynecology. I yield to the gentleman from Texas (Mr. BURGESS).

Mr. BURGESS. Mr. Speaker, unlike the gentleman from Georgia, I was not involved in medicine when Medicare was passed back in 1965. It was a good program that was passed to help seniors with their surgery costs and their medical costs if they were hospitalized, but there was an important omission; and now this Congress almost 40 years later, almost 4 decades later, stands on the brink of correcting that deficiency that started in 1965.

Seniors to this day have no comprehensive drug benefit, an omission from the original Medicare passed in 1965. On a daily basis, I saw how this impacted my patients. I would have patients who could not afford the medications that I prescribed, patients who would split pills or take a smaller dose. Medicare would cover the cost of the doctor visit, but because of this hole that was left in the program, which could only be classified as a typical government approach, they would often be unable to follow my recommended course of treatment if prescription drugs were involved due to a lack of coverage.

This President and this Republican Congress have had the courage to stand up and do what is right by correcting this oversight by helping millions of American seniors pay for their prescription drugs. This bill gives seniors purchasing power to meet their prescription drug needs and cover their health costs.

The prescription drug discount card will reduce the cost of prescription drugs by as much as 25 percent. With the additional subsidy placed on for low-income seniors, this benefit alone will cover drug costs for nearly half the seniors enrolled in Medicare with minimal financial participation on the part of the beneficiary. Additionally, the bill would authorize consumer-based accounts dedicated to their holder's health and well-being.

We have heard a lot about health savings accounts this evening during the course of this hour, and I would underscore the importance of health savings accounts. This is not an arbitrary concept. This is not just an idea that someone has had; this is, in fact, a reality that has been in existence for the last 5 years. The Archer Medical Savings Accounts were passed in 1996 or 1997. I had a medical savings account until coming to Congress and have seen firsthand how you can have real wealth grow in an interest-bearing tax-free account dedicated to your health care needs. Health savings accounts allow individuals and families to put their money in tax free, allow it to grow tax free, and be withdrawn tax free to cover medical costs. These accounts will give younger Americans the ability to save for future medical expenses, and give older Americans the ability to soften the financial strain of costly procedures or even long-term care insurance. By shifting Medicare to a more consumer-focused program, we improve health outcomes, give purchasing power and make the program more accountable to the American taxpayer.

There have been those who criticize this ground-breaking program before Congress as an attempt to privatize. Mr. Speaker, which President actually privatized Medicare? In fact, it was Lyndon Johnson. The private market has been intimately involved in Medicare since day one. When President Johnson signed Medicare into law in 1965, he was asking hundreds of thousands of doctors and their private practices and their private hospitals to participate in a government program. The program then depended on the private market to provide a network of doctors to care for seniors, and the program today depends upon that same private market to provide that care.

Because the delivery of health care is so much more complex today than it was back in 1965 with the complex array of specialty providers, physician networks, insurance companies, pharmaceutical benefit managers and mail order pharmacies, it would be irresponsible of the U.S. Congress to not rely on this same network that provides care every day to millions of Americans as we look to reform how Medicare covers America's seniors.

As for the claim that seniors will be forced into HMOs, nothing could be further from the truth. We have heard over and over how health savings accounts will impact the health of Americans in the future. The truth is that under this bill, seniors will have more options to meet their health care needs than they currently have. Under this proposal, seniors would certainly have the option to receive care through an HMO. Some seniors prefer that type of care, but they would also have the option to receive their care through a preferred provider organization or, if they like fee-for-service Medicare, they can stay right where they are. The bill provides choices available to seniors; it does not limit them.

Our work is far from done with this bill. More work needs to be done to infuse more market-based principles into this government-run program. More work will need to be done to improve the program so it focuses not just on covering as many Americans as possible, but actually improving their health with attention to the detail of health maintenance.

Congress will remain accountable and engaged. Medicare is a program that will need continual supervision over the years to ensure it remains a viable program. We will continue our oversight on Medicare for future generations. This Medicare bill is the future of health care for our Nation.

Mr. GINGREY. Mr. Speaker, I thank the gentleman from Texas (Mr. BURGESS) and the other Members for joining us tonight. An hour goes by very quickly. I think we need about three to really talk about everything that we need to talk about.

In conclusion, let me say that we proudly support this Medicare Modernization and Prescription Drug Act of 2003. We talk about compassionate conservatism, and that is a pledge upon which our 43rd President ran, and he promised that we would deliver. And some pun intended, I might add as an OB-GYN, but the President promised, and this leadership promised, this Republican Congress promised that we would deliver. Finally, at long last we have overcome a lot of obstructionism to get to the day that we are going to deliver to American seniors, and they deserve it.

It is compassionate because there are people in this society who through absolutely no fault of their own need our help, and that is what compassionate conservatism is all about. Mr. Speaker, I say this is its finest hour. Let us get this bill passed with support from both sides of the aisle and make this truly a bipartisan success for our seniors.

PRESCRIPTION DRUG COVERAGE UNDER MEDICARE

The SPEAKER pro tempore (Mr. ROGERS of Alabama). Under the Speaker's announced policy of January 7, 2003, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I plan to be joined tonight by some of my colleagues on the Democratic side, and I appreciate the fact that they are here to join me. I did listen to much of what was said by my colleagues on the Republican side in the last hour.